



David J. Klein
Senior Vice President – Financial Advisor
The Auctus Group
RBC Wealth Management
Phone: 847-215-5326
Fax: 847-215-5315
Toll Free: 800-879-3246
e-mail: david.klein@rbc.com
website: www.davidjklein.com

March 4, 2019

“Whatever you are, be a good one” (Abraham Lincoln)

Retirement – Wealth Plan Analysis: Are you ready for retirement? Are you on track to achieve your retirement goals? Let us help you with our Wealth Plan Analysis based on your current situation and future expectations for a healthy retirement. Please click on the 4-page questionnaire that is attached to the current e-mail, answer the questions as best you can, and send it back. We will then follow up with you.

Your IRA: Don’t forget your yearly contribution for 2018 - \$5,500. For 2019 the maximum contribution is raised to \$6,000. Those aged 50 years or older may add an extra \$1,000 for both years. Please call for information on other retirement plans.

My Website: www.davidjklein.com: “Global Insight: 2019 Outlook” is on the front page of the website. This is RBC Wealth Management’s outlook for the New Year.

Key Statistics Year-to-date a/o 3/1/2019

Dow: +11.57%
S&P 500: +11.84%
Nasdaq: +14.47%

--Best 2 months since Aug. 2009 for the Dow, and best 2 for the S&P since Oct. 2010
--These would be great numbers at the end of the year, not just at the beginning

Treasury Bond Yields: Year- to-date a/o 3/1/2019

1-year Treasury: 2.55%
2-year Treasury: 2.55% - Yes, same as the 1-year
5-year Treasury: 2.56%
10-year Treasury: 2.76% - Yield curve beginning to steepen a little
30-year Treasury: 3.13%

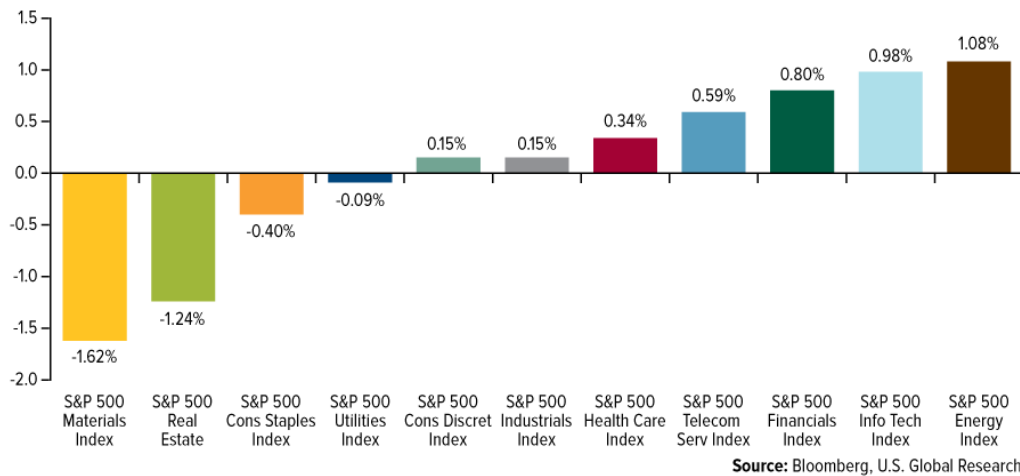
--Yields rose slightly across the board last week

Markets: (Barron's, IBD, WSJ, RBC, MFS, Reuters, Advisor Perspectives)

- For the week: Dow fell (-0.02%), S&P 500 rose +0.39%, Nasdaq rose +0.90%
- Everyone seems to be forgetting how terrible December was
- Markets have responded after Fed Chair Powell said he would hold off on rate hikes
- Global equities rose on optimism over US-China trade talks
- Oil declined slightly to \$57/barrel
- Stocks and sectors do not react equally to market conditions – the following chart for last week highlights the continued need for diversification

S&P 500 Economic Sectors

(Percentage return for each sector group from Friday to Friday, February 22, 2019 – March 01, 2019)



Economic News: (Barron's, IBD, WSJ, RBC, MFS, Reuters, Advisor Perspectives)

- US economy grew 2.6% in last quarter of 2018 and 2.9% for the full year
- US growth has slowed less than expected – S&P earnings have grown 13% y-o-y
- Fed Chair Powell reiterated the Fed would be patient regarding interest rates – Slowing global growth is the major risk to the outlook for the US economy

International News:

- Global growth data has been disappointing
- Global manufacturing in the Eurozone, China, Japan in contractionary phase
- A US/China trade agreement would improve sentiment around the world
- US and China appear to be making progress on trade
- US has dropped the threat of a 25% tariff rate hike
- Economic advisor, Larry Kudlow, sees the countries on the verge of an historic pact
- A vote on Brexit in the UK is coming up this month

US Growth: Slowing but not stalling. Look at the next 5 charts on **growth**, the **leading economic indicators**, **inflation**, **unemployment**, and **consensus forecasts** for the year. A slowdown, yes, but still many positives.

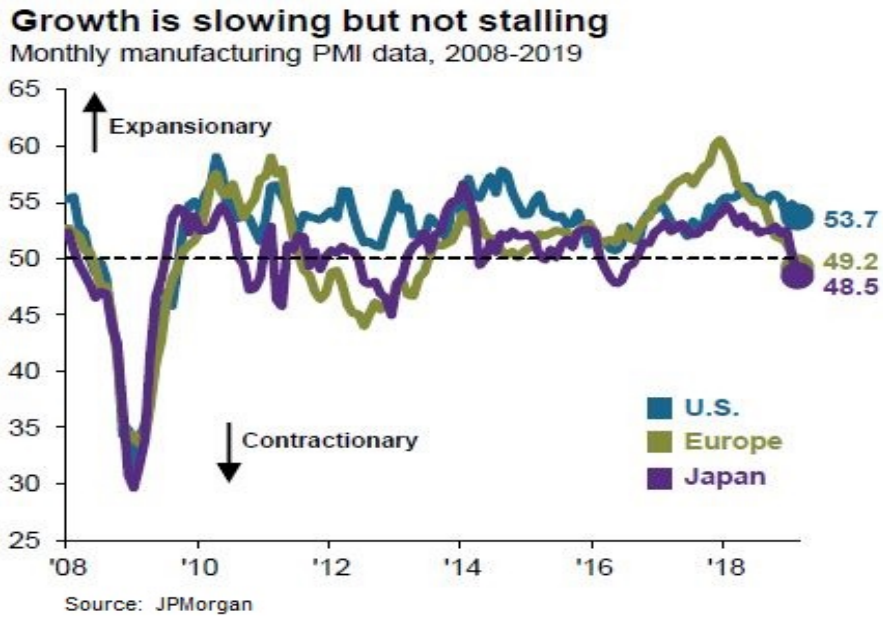
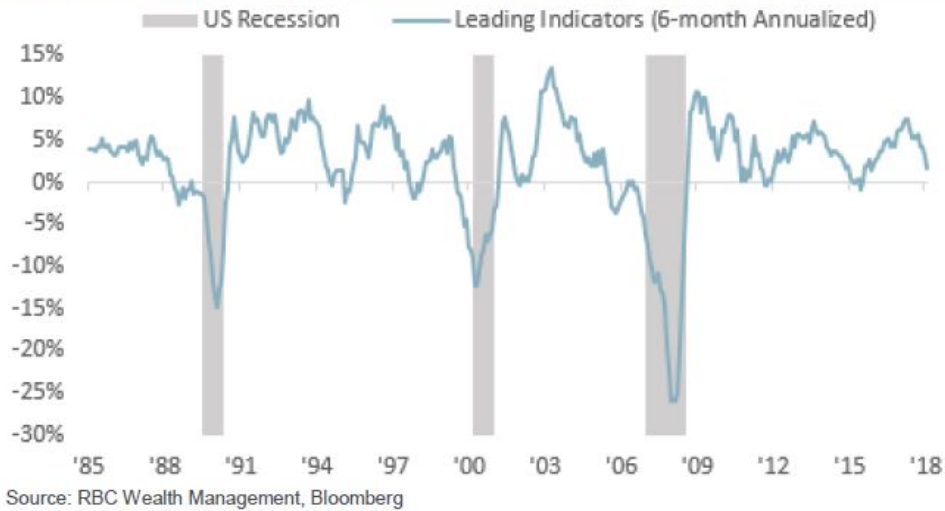
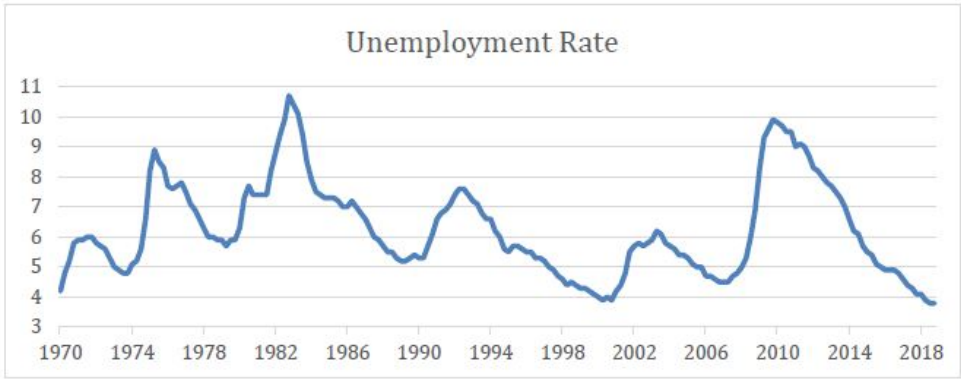
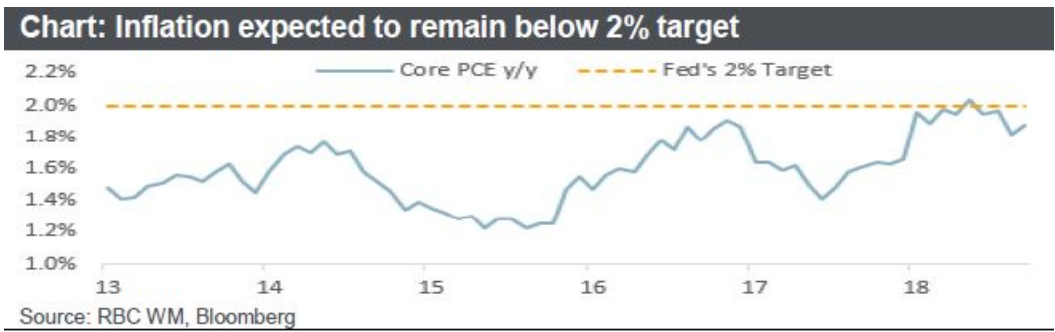
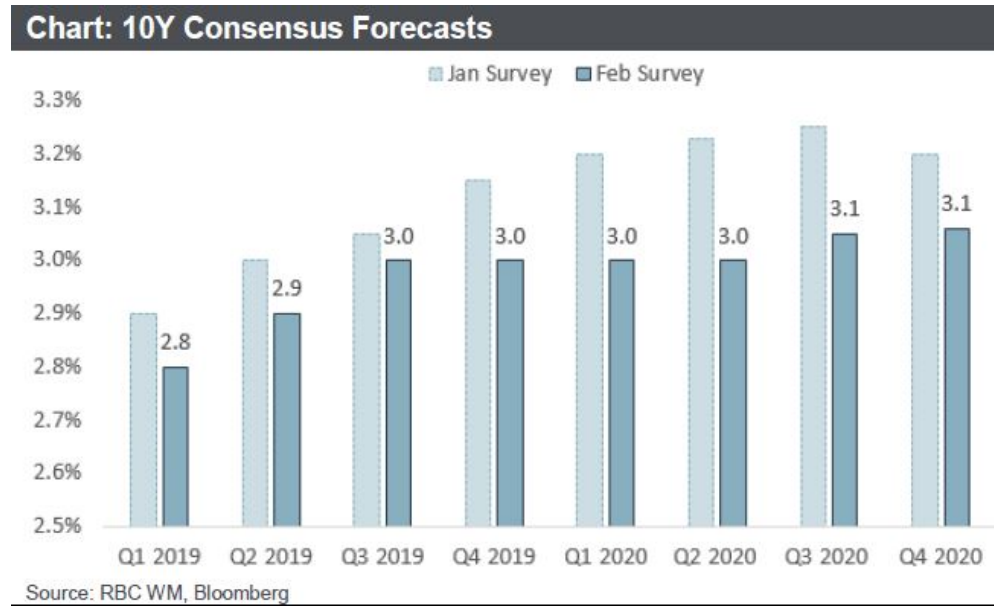


Chart: Leading economic indicators point to slower growth





Consensus forecasts while down slightly still project relatively good growth



Question of the Week: What is the market definition of “dividend aristocrats”?

Question from Last Week: Approximately how much money does our government spend *every day*?

Answer: According to the Treasury Department, the US government spends *\$12.4 billion a day*.

Did You Know:

- Venezuela (a country in chaos) has the *largest estimated oil reserves* in the world. Their reserves of 301 billion barrels is nearly *8 times* the estimated reserves of the United States. (BTN Research, World Atlas)
- Outstanding *student loan debt* in the US as of 12/31/18 was *\$1.46 trillion*. This amount is *+128% higher* than the \$640 billion student debt 10 years earlier, 12/31/2008. (BTN Research, Fed Reserve Bank of New York)

Sports Trivia: At his own cost, President Trump has installed a *\$50,000 indoor golf simulator* in his personal residence in the White House. (BTN Research, Golf Digest)

Referrals: Many sincere thanks for your referrals of family, friends, and associates. I am deeply appreciative.

Sincerely,

David J. Klein

Senior Vice-President – Financial Advisor

www.davidjklein.com

The views presented here are solely the views and opinions of David Klein and do not reflect the views of RBC Wealth Management, or its officers and directors. Data is believed to be from reliable sources, but we make no representation as to its accuracy or completeness.

The Dow Jones Industrial Average covers 30 blue chip U.S. companies selected by the editors of the Wall Street Journal. The Dow represents about 25% of the NYSE market capitalization and less than 2% of NYSE issues.

The Nasdaq Composite is a market-value weighted index that measures all NASDAQ domestic and foreign common stocks. The Standard and Poor’s 500 is an unmanaged, capitalization weighted benchmark that tracks broad-based changes in the U.S. stock market.

This index of 500 common stocks is comprised of 400 industrial, 20 transportation, 40 utility, and 40 financial companies representing major U.S. industry sectors. The index is calculated on a total return basis with dividends reinvested and is not available for direct investment.

This material is based on data obtained from sources considered to be reliable. However, it is not guaranteed to accuracy and does not purport to be complete. The illustrations are for informational use only. RBC Wealth Management does not provide tax or legal advice. All decisions regarding the tax or legal implications of your investments should be made in conjunction with your independent tax or legal advisor. RBC Wealth Management, a division of RBC Capital Markets